



The Impact of Geopolitical Tensions on **Global Trade and Sourcing**



Presented
by [Dragon Sourcing](#)

How Geopolitics Is Reshaping Global Trade in 2025

Introduction

Trade routes, sourcing hubs, and supplier relationships are under pressure

Businesses face increased volatility due to geopolitical friction.

Global procurement must become more agile and diversified.



The U.S.–China Trade War



Ongoing tariffs and counter-tariffs across sectors

Technology decoupling: chip bans, cybersecurity concerns

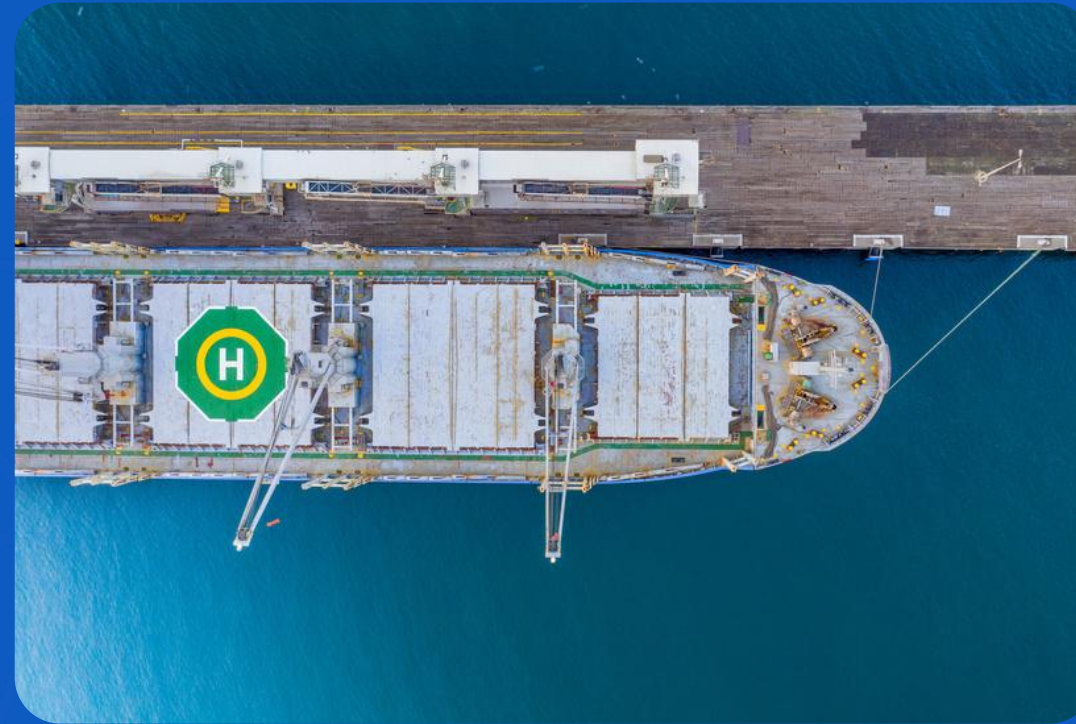
Impact on electronics, manufacturing, and supply chain costs

From Tariffs to Tech Restrictions

Shifting the Manufacturing Landscape



Growing trend to diversify
away from China



Rise of Vietnam, Thailand,
Mexico, and India as
alternatives



Reduces geopolitical
risk and improves
resilience

India as a Manufacturing Powerhouse

Government push: Make in India, PLI schemes

Skilled labor force and improving infrastructure

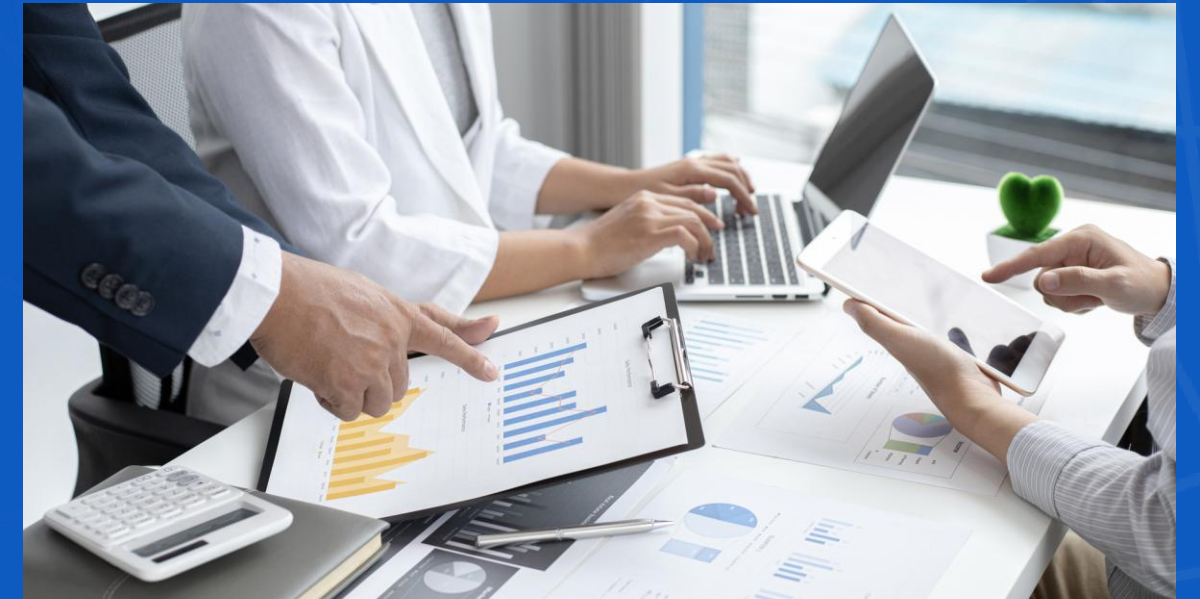
Increasing interest from global brands and procurement leaders



Tightening Trade and ESG Compliance



Carbon border adjustment mechanism
(CBAM)



Supply chain due diligence directives

ESG and sustainability regulations
impacting supplier qualification

Growing Compliance Burden



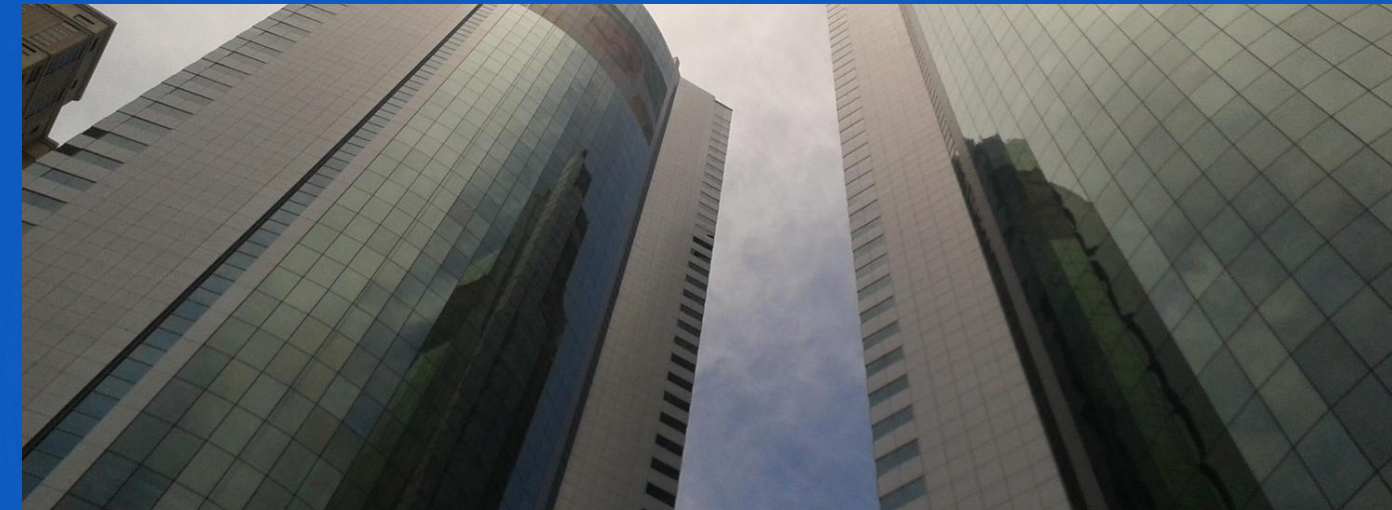
Impact of Russia-Ukraine conflict and Middle East unrest

Frequent changes in sanctioned entities and embargo zones

Increased documentation and supplier vetting required

Securing Digital and Critical Resources

Technology Nationalism



National control over chip manufacturing and rare earths

Stricter data localization laws

Barriers to digital supply chains and cloud procurement tools

Navigating a Fragmented Trade Landscape

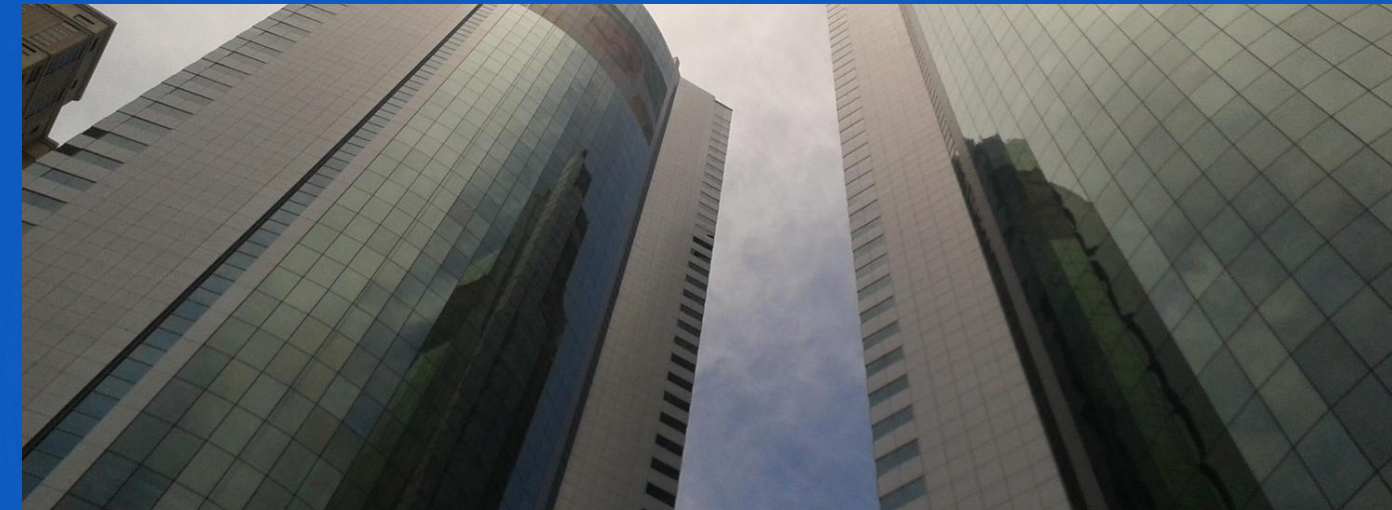


Multi-region sourcing and nearshoring

Use of digital tools for supplier risk analysis

Investing in local partnerships to reduce overexposure

Strategic Trade-offs for Procurement Leaders



Shifting from cost-centric to value-centric procurement

Importance of agility, flexibility, and supply continuity

Building internal alignment between finance, operations, and procurement

Building Geopolitics- Aware Sourcing Strategies



Monitor global developments continuously

Treat geopolitical risk as part of strategic planning

Diversify suppliers and markets to stay competitive

Thank You For Your Attention

